

VRS Defined Contribution Plans Fee Disclosure Notice

VRS takes its responsibility for managing and communicating costs for the Defined Contribution Plans (DCP) seriously. This annual fee disclosure notice explains the fees you pay and the potential impact on your DCP account balance. VRS follows the spirit of the fee-disclosure rules issued by the U.S. Department of Labor for private-sector retirement plans by publishing information about the plans' fees in a disclosure notice every year. Although there are no requirements for fee disclosure in public plans, VRS includes this annual notice as a best practice of plan administration. Fees pay for plan administration, including participants' account recordkeeping, education and enrollment services, and other related plan-administration expenses. Additionally, fees pay for investment management and other investment-related costs such as custody, audit, and fund administrative services. The long-term cumulative effect of fees and expenses on retirement savings can be substantial. Consider how just a 1-percentage-point difference in fees could affect your account balance over time.

As this example shows, lower expenses help keep more of your retirement savings working for you, which may make a difference in your account's long-term growth potential. As a participant in a VRS-administered defined contribution plan, you pay the following fees:



For illustrative purposes only; assumes beginning account balance of \$25,000, continuous contributions of \$100 per month (\$50 per paycheck with 24 pay periods per year) and an average 6% return over 35 years of investing.

Investment-Related Fees

In selecting and monitoring the investments available to you, VRS considers the fee associated with each investment. Although they are not the sole reasons for selecting or deselecting an investment, fees and expenses are important considerations because these charges lower an investment's potential returns. Investment management fees and fund operating costs are deducted throughout the year from each investment option's unit share price or net asset value, based on the investment's "expense ratio," which combines investment operating expenses and

management fees into one figure expressed as a percentage. The investment's gross returns are reduced by the expense ratio. Fund investment returns shown on the performance reports are net of investment management fees and fund operating costs.

In communicating investment fund costs to you, VRS states fees both as a percentage and as a dollar amount per \$1,000 invested. This annualized expense for investment management and other fund costs are shown under Total Annual Operating Expenses on the Investment Option Performance report you receive with your quarterly statement and is available at dcp.varetire.org/investments or by calling a Voya Customer Service Representative at 877-327-5261. The Investment Option Performance report also provides information related to fund performance, benchmarks, investment managers and trading restrictions.

Investment-related fees may change from time to time and vary for different types of investment options. Sometimes investment managers may voluntarily agree to waive some expenses; they may terminate these fee waivers at any time. Fees are typically higher for actively managed investment options than for passively managed options because actively managed options must cover the costs for portfolio managers to conduct extensive research and monitor and trade securities. Generally, international investment options have higher expense ratios than do domestic options because they deal with companies overseas and may involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations.

Fund-Redemption Fees

Funds may charge redemption fees at any time to discourage investors from engaging in excessive trading. Also known as "short-term trading fees," these dissuade investors from making a short-term "round trip" (i.e., a purchase, typically a transfer, followed by a sale within a short period of time). If a redemption fee is charged, it is done when a participant redeems or sells fund shares/units within a specified time frame. These fees are paid by those participants who trade within the specified trading time frame and are not deducted from a fund's unit share price or NAV. Currently, there are no fund- redemption fees associated with any of the core investment fund options. However, if a fund in the core investment lineup included a redemption fee, that information could be found in the Fund Profiles, available at dcp.varetire.org/investments.

Administrative Fees

An administrative fee is paid to the plan's third-party administrator and covers maintaining your plan account(s), website, Participant Services call center, and education and enrollment services. To provide the highest level of transparency, administrative costs associated with your plan(s) are treated as a separate fee and are not absorbed into investment expenses.

A Voya Financial annual recordkeeping fee of \$35.50 will be deducted from your account on a monthly basis (approximately \$2.95 per month) and is in addition to fund annual operating expenses. If you participate in more than one Commonwealth of Virginia defined contribution plan, only one annual fee of \$35.50 will be deducted from your account.

Fees for Other Options

Separate fees may be deducted from your account if you elect certain transactions or elect certain service programs. You will receive a confirmation statement for these transaction fees. You may also access your account information by logging onto the Plan's website or by reviewing your most recent account statement.

Optional Services and Fees: These fees are deducted from participant accounts when used.	Fees
Expedited Mail: per occurrence	\$50.00

Professional Account Manager Program		
Participant Account Balance	Monthly Fee	Annual Fee
First \$100,000	0.03333333%	0.40%
\$100,001 - \$250,000	0.0291667%	0.35%
Over \$250,000	0.0250000%	0.30%

Self-Directed Brokerage Account (SDBA). In addition to the core investment options offered under the defined contribution plans, your plans also offer an SDBA provided through Charles Schwab that allows you to select from thousands of mutual funds, exchange-traded funds and individual securities. When transferring assets to your brokerage account, you are required to leave at least \$2,500 in your core investments. Voya Financial does not charge a fee for a brokerage account. For a complete list of brokerage account fees and charges, please refer to the Charles Schwab Commissions and Service Fees document at schwab.com or call 888-393-7272. All Charles Schwab fees are deducted directly from your brokerage account. Charles Schwab & Co., Inc. and Voya Financial are not affiliated and are not responsible for the products and services provided by the other.

Schwab Personal Choice Retirement Account® is offered through Charles Schwab & Co., Inc. (Member SIPC), the registered broker/dealer, which also provides other brokerage and custody services to its customers.

Lifetime Payout Option. When you leave employment and become eligible for a distribution, you have the option to purchase an annuity within the plan. VRS provides an annuity payout option through a contract with MetLife. Contact MetLife at 866-438-6477 to learn more about the options available to you, including the cost to purchase an annuity.

The content of this publication is general information regarding your retirement benefits. It is not intended to provide you with or substitute for specific legal, tax or investment advice. You may want to consult with your legal, tax or investment adviser to review your own personal situation. This document contains information obtained from outside sources, and it references external websites. Although we believe this information to be reliable, we cannot guarantee its complete accuracy. In addition, rules and laws can change frequently.